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STATE PROCUREMENT OFFICE  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer  
2. FROM: DLNR/DOFAW

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

The Conservation Reserve Enhancement Program (CREP) offers payments to landowners enrolled in the program as part of program implementation in the state. The State of Hawaii, under the terms of the federal program conditions, pays an annual payment and cost-share reimbursement for practices implemented under CREP to landowners that are authorized for the program by the USDA Farm Service Agency (FSA). Practice management plans for landowners are generated by the USDA Natural Resource Conservation Service (NRCS) and approved for payment by FSA. The State is required to provide a direct cash match payable to landowners as a match for the federal funds spent toward the program (10% match of federal funds spent). Federal funding will be provided to CREP landowners in the form of annual rental payments, cost-share reimbursement payments, and additional incentive payments. As a requirement of the State's direct cash match to landowners, the State has agreed to provide \$17/acre/year for the term of the 14-15 year CREP contracts to landowners who enroll in the program and cost-share reimbursemen for implement conservation practices on their CREP project area.

4. Name of Vendor: TBD

Address:

5. Price:

\$250,000/yr est.

6.

Term of Contract:

From: 15 yrs

5/20/2010

To:

5/19/2011

06/19/10

7. Prior Exemption Ref. No.

08-132-C

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Landowners enrolled and approved by FSA in CREP will be required to enter into a contract agreement with FSA and the State of Hawaii. The planning and approval process on the federal side involves the FSA and NRCS determination of landowner eligibility, land eligibility, project feasibility, and practice need. Once the landowner and land eligibility is determined by FSA and NRCS, a conservation plan is generated by NRCS for the CREP project after which the landowner may review what is required of them under CREP and commit to the program. The landowner is required to follow the NRCS conservation plan for their CREP project and receives financial assistance in return. As the applicant eligibility and approval is determined by USDA (FSA and NRCS) and the State is required to provide the program match to landowners; an IFB, RFP, or other procurement method is not practicable for contract agreements administered under CREP.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Landowners will be allowed to enroll in CREP over the course of 5 years on a first come first serve basis. Program implementation will be phased with Maui and Hawaii Island being available for enrollment in the 1<sup>st</sup> year and a half; Molokai and Lanai the second full year; and Oahu and Kauai in the third year. The last two years of open enrollment will be available on all islands. With the initiation of the program, public announcement and press releases on the program and the enrollment process was issued. Staff continually does outreach to local agricultural groups about CREP to encourage enrollment. With each new island opening for enrollment, additional press released and public announcements will be made. Additionally, an information website on Hawaii CREP is posted on the DLNR-DOFAW website and federal funding websites. The program will be open to all eligible landowners until the State meets its acreage cap (15,000 acres) or until funds are spent.

# REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
Federal partner's are required to submit the approval of eligible landowners and contracting documents to DLNR-DOFAW prior to the authorization of the State CREP Agreement with those landowners. Furthermore, federal partner's or the state (depending on who is reviewing CREP projects) will provide annual reports to respective partners regarding landowner progress in the program or default by landowners under contract conditions (if any).

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Melissa Sprecher	Forester, CREP Coordinator	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Paul Conry	Administrator, DOFAW	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Laura Thielen	Chairperson, DLNR	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to:

Department: DLNR-DOFAW  
Contact Name: Melissa Sprecher  
Phone Number: (808) 587-4167  
Fax Number: (808) 587-0160

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

Department Head

Date

Reserved for SPO Use Only

15. Date Notice Posted 5-20-10

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer  
State Procurement Office  
P.O. Box 119  
Honolulu, Hawaii 96810-0119

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

**Chief Procurement Officer's comments:**

This approval is based on the department's representation that landowner selection is not done by the State. The federal USDA approves the landowner's eligibility and acceptance into the CREP. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

16.



**APPROVED**



**DISAPPROVED**



**NO ACTION REQUIRED**

*David J. Taylor* 6/9/2010  
Chief Procurement Officer Date